

VZCZCXR03805
PP RUEHMA RUEHPA
DE RUEHUJA #1112/01 1700943
ZNR UUUUU ZZH

P 190943Z JUN 09
FM AMEMBASSY ABUJA
TO RUEHC/SECSTATE WASHDC PRIORITY 6355
INFO RUEHOS/AMCONSUL LAGOS PRIORITY 1540
RUEHZK/ECOWAS COLLECTIVE
RUEHGB/AMEMBASSY BAGHDAD 0395
RUEATRS/DEPT OF TREASURY WASHDC
RUCPDOC/DEPT OF COMMERCE WASHDC
RUEHRC/DEPT OF AGRICULTURE WASHDC

UNCLAS SECTION 01 OF 02 ABUJA 001112

SIPDIS

DEPT PASS TO AID FOR AFR/SD
DEPT PASS TO USTR-AGAMA
BAGHDAD FOR DUNDAS MCCULLOUGH
TREASURY FOR PETERS AND IERONIMO
DOC FOR 3317/ITA/OA/KBURRESS AND
3130/USFC/OIO/ANESA/DHARRIS
USDA FAS/OCBD/PSIMMONS AND LSIMMERING

E.O. 12958: N/A

TAGS: EAGR ECON EFIN ETRD PGOV NI

SUBJECT: NIGERIA: AMBASSADOR HOSTS PPP AGRICULTURAL EVENT ON CAPACITY BUILDING AND AGRO-FINANCING; OPENS AGOA RESOURCE CENTER

¶1. (U) SUMMARY: On June 9-10 in Lagos, the Ambassador hosted a Public Private Partnership (PPP) agricultural event entitled "Boosting the Nigerian Agricultural Sector through Financing, Processing, Capacity Building, Capital Equipment and Market Access". The PPP event covered the need to boost the Nigerian agricultural sector, address financing challenges facing Nigerian importers, processors, and buyers of capital equipment, and encouraged increased Nigerian exports under the African Growth and Opportunity Act (AGOA). The event included presentations by the U.S. Commercial Service (USCS), Foreign Agricultural Service (FAS) U.S. Agency for International Development (USAID), U.S. Export Import Bank (EXIM), U.S. Trade and Development Agency (TDA), Overseas Private Investment Corporation (OPIC) and the USAID West Africa Trade Hub. This event, attended by some 450 private and public sector representatives, was a follow up to a nationwide energy conference last year in which many of the same agencies participated. Both events also focused on how to raise the profile and use of AGOA by Nigerian companies. In addition to the importance of AGOA, and commissioning a new AGOA Resource Center, the Ambassador also highlighted the USG Global Food Security Program for Nigeria. End Summary.

¶2. (U) On June 9 and 10, the Ambassador hosted an agricultural event on financing and capacity building in Lagos entitled, "Boosting the Nigerian Agricultural Sector through Financing, Processing, Capacity Building, Capital Equipment and Market Access." This was the second in series of public-private partnership (PPP) efforts between the U.S. Mission to Nigeria, the Bank of Industry, several Nigerian banking partners, and USG agencies seeking to raise profile and use of AGOA by Nigerian companies. The event concentrated on building capacity in the Nigerian agricultural sector through practical workshops addressing financing challenges, preparing products for export to the U.S. and providing technical assistance for agribusiness development. The event consisted of four modules:
--Financing mechanisms for bank representatives and those in agribusiness or food processing intending to expand or develop, and in need of capital equipment and technology from the U.S.;
--Food labeling for agricultural exports to the U.S.;
--Technical assistance for agricultural processing; and
--Scaling up on use of AGOA.

Financing and Investment

¶3. (U) In the financing module, OPIC, EXIM, USTDA, USCS and FAS provided participants with tools on understanding agricultural financing and how to plan for agricultural infrastructure investment. Furthermore, they presented information how to

successfully acquire and finance capital equipment and technology from the U.S. and how to access investment finance and insurance products to help both U.S. and Nigerian companies build their businesses.

Technical Assistance for Agricultural Processors

¶14. (U) In this module, USAID concentrated on technical assistance for agricultural processors for financing and developing the agricultural value chain, including use of the Development Credit Authority (DCA) through several partnering banks in Nigeria. DCA allows USAID to issue partial loan guarantees to private sector lenders, pledging to cover the lender's risk of borrower default up to 50% of loan principal. This encourages financial institutions to provide loans to new sector and borrowers, and reduces market entry risks for lenders contemplating new products.

Food Labeling

¶15. (U) In a two-day food labeling workshop an expert FAS consultant trained over 100 participants on U.S. standards, regulations and requirements for labeling agricultural products for export to the U.S. The session was interactive and beneficial, and participants were hungry for information on how to better package and properly label their products for entry into the U.S. market.

AGOA/Trade Hub

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¶16. (U) In this module, experts from USAID and its West Africa Trade Hub led an interactive workshop on how agribusinesses can scale up operations to take advantage of AGOA. Presenters used case studies of Nigerian agribusinesses that had successfully used AGOA to export to the U.S. They provided step-by-step instructions for how to research the U.S. market, develop a solid business plan, access capital, and begin exporting. They suggested all participants take advantage of the U.S.- BOI AGOA Resource Center, which the Ambassador and BOI Managing Director Evelyn Oputu commissioned on June 9 as part of the agricultural event.

U.S.-BOI AGOA Resource Center

¶17. (U) For the past year, the Ambassador has been working very closely with the Nigerian-American Chamber of Commerce (NACC) and BOI to relocate the AGOA Resource Center from a small desk at NACC to a full-service, multi-room facility at BOI that is easily accessible for the public. The Ambassador took advantage of the agricultural event to commission the new Center alongside BOI MD Oputu. Participants from the agricultural event, government officials and several media representatives attended the commissioning ceremony of the U.S.-BOI AGOA Resource Center, which will be used by private sector companies who are interested in accessing or further scaling up on AGOA.

¶18. (U) This message was coordinated with Consulate Lagos.

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